S&P 500 suffers largest weekly loss in two years
U.S. adds 209,000 jobs in July; unemployment rate at 6.2%

By Victor Reklaïtis and Anora Mahmudova, MarketWatch

NEW YORK (MarketWatch) — U.S. stocks on Friday built on the week’s losses, leaving the S&P 500 with its biggest weekly drop in two years.

Friday’s flurry of economic data only briefly lifted the stock market. Instead, Thursday’s selloff, sparked in part by signs of rising wages, continued as investors remained fearful that the Federal Reserve might raise interest rates sooner than expected.

The S&P 500 (SNC:SPX) fell 5.52 points, or 0.3% to end at 1,925.15, though it finished off its session low. The benchmark endured a weekly loss of 2.7%, its largest percentage drop since the week ended June 1, 2012. It’s now off 3.2% from its July 24 record close.

The Dow (DJI:DJIA) dropped 69.93 points, or 0.4%, to finish at 16,493.37 on Friday. The blue-chip gauge recorded a weekly tumble of 2.8%, its biggest decline since the week ended Jan. 24.

Friday’s generally positive economic data keeps pressure on the Federal Reserve to reduce its stimulus measures that have helped stock prices, said Colin Cieszynski, chief market strategist at CMC Markets.

“Good news for the economy is bad news for the market, because it means they’ll have to take way the liquidity that’s boosted stocks eventually,” Cieszynski told MarketWatch.

Check out a recap of MarketWatch’s stock-market live blog for Friday.
The tech-heavy Nasdaq Composite (NASDAQ:COMP) was down 17.13 points, or 0.4%, to close at 4,352.64, leaving it down 2.2% for the week.

The small-cap Russell 2000 (RSU:RUT) shed 5.21 points, or 0.5%, to end at 1,114.86. The Russell, often viewed as a gauge of investors’ risk appetite, finished down 2.6% for the week and briefly traded as much as 8.8% off its July 1 intraday high.

**Friday's key economic reports:** The U.S. economy added 209,000 jobs in July, missing forecasts but signaling the economy is sustaining its momentum.

The Institute for Supply Management’s manufacturing index rose more than expected, and a reading on consumer sentiment slipped slightly, but was roughly in line with expectations.

**Individual movers & shakers:** LinkedIn Corp. (NYSE:LNKD) closed up 11.7% after the careers-focused social network posted quarterly results late Thursday that easily topped Wall Street forecasts.

Procter & Gamble Co. (NYSE:PG) finished up 3%, performing the best among the 30 Dow stocks. The world’s largest consumer products company announced plans to shed brands, along with earnings that beat forecasts. Meanwhile, Western Union Co. (NYSE:WU) and PerkinElmer Inc. (NYSE:PKI) led S&P 500 decliners, as each stock dropped nearly 4%. Western Union’s quarterly profit dropped, and earnings at PerkinElmer, a manufacturer of health-testing equipment, also fell.

Among new issues, Mobileye (NYSE:MBLY), which makes camera-based driver-assistance systems, soared 48% in its debut, but June’s hot IPO, GoPro Inc. (NASDAQ:GPRO), fell 14.6% after its earnings as investors focused on lofty valuations. Read more about Friday’s jumpiest stocks in the Movers & Shakers column.

**Other markets:** In Europe, Germany’s DAX (ITF:DX:DAX) ended down 4.5% for the week, its biggest weekly loss in two years, as investors continued to fret about the impact of sanctions against Russia. Crude-oil futures (NMN:CLU4) lost ground, while gold futures (CNS:GCU4) advanced.

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